

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Case No. 04-34128-GFK

Nicholas Morrison and
Linda Morrison

NOTICE OF HEARING AND
MOTION FOR RELIEF FROM
AUTOMATIC STAY

Debtor(s).

Chapter 7 Case

TO: The Debtor above-named and other entities specified in Local Rule 9013-3.

NOTICE OF HEARING AND MOTION

1. Twin City Co-ops Federal Credit Union, hereafter the Movant, a creditor in the above case, by the undersigned, moves the Court for the relief requested below and gives notice of hearing.

2. The court will hold a hearing on this motion at 10:30 a. m. on October 25, 2004, in Courtroom No. 228B, U. S. Bankruptcy Court, Federal Building, 316 North Robert Street, St. Paul, Minnesota.

3. Any response to this motion must be filed and delivered not later than 10:30 a. m. on October 20, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays, and holidays), or filed and served by mail not later than October 15, 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays, and holidays). UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

4. This court has jurisdiction over this motion pursuant to 28 U. S. C. §157 and §1334, Bankruptcy Rule 5005 and Local Rule 1070-1. This proceeding is a core proceeding. The petition commencing this chapter 7 case was filed or converted on 07/15/04. The case is now pending in this court.

5. This motion arises under 11 U. S. C. § 362 (d) and Bankruptcy Rule 4001. This motion is filed under Bankruptcy Rule 9014 and Local Rules, Rule 9006-1, and Rules 9013-1 to 9013-3. Movant requests relief from the automatic stay with respect to the following property (the collateral):

2000 Jeep Cherokee, VIN 1J4FF48S5YL154701;

2002 Kia Sportage, VIN KNDJA723225115996.

6. Debtors are in default under the retail installment contracts and security agreements respecting this collateral. Debtors have failed to make payment or propose future payment arrangements on the outstanding obligation since the filing of the petition. Debtors have not offered to redeem the collateral from Movant. Debtors have failed to surrender the 2000 Jeep Cherokee to Movant.

7. Debtors have no equity in the collateral and it is not necessary to a reorganization of Debtors' debt.

8. Movant does not have, and has not been offered, adequate protection in the collateral.

9. If oral testimony is necessary as to relevant facts, Julius Lee 2025 Larpenteur Avenue W., Falcon Heights, Minnesota, will testify for Movant.

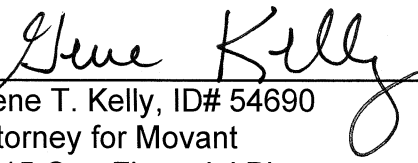
WHEREFORE, Twin City Co-ops Federal Credit Union, by its undersigned attorney, moves the Court for an Order as follows:

(1) granting relief from the automatic stay with respect to the collateral, or in lieu thereof, an order granting the Movant such adequate protection of its interest in the collateral as provided under § 361 of the Bankruptcy Code; and

(2) determining that Rule 4001(a)(3), Federal Rules of Bankruptcy Procedure, is not applicable so that Movant may immediately enforce and implement the Order granting relief from the automatic stay; and

(3) such other relief as the Court deems just and equitable.

Date: October 4, 2004



Gene T. Kelly, ID# 54690
Attorney for Movant
1515 One Financial Plaza
120 South 6th Street
Minneapolis, MN 55402
(612) 332-5890

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Case No. 04-34128-GFK

Nicholas Morrison and
Linda Morrison,

AFFIDAVIT IN SUPPORT OF
MOTION FOR RELIEF FROM
AUTOMATIC STAY

Debtor(s).

Chapter 7 Case

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

JULIUS LEE, being first duly sworn on oath, states as follows:

1. He is an employee of Twin City Co-ops Federal Credit Union, hereafter the Movant, a creditor in the above-captioned case, and he is familiar with the matters herein of his own knowledge, except as to those matters stated on the basis of information and belief of Movant's business records, and as to those matters he believes them to be true.
2. Debtors financed the purchase of a Kia Sportage automobile as evidenced by a retail installment contract in the principal amount of dated April 7, 2002 (Contract I). A true and correct copy of Contract I is attached hereto and incorporated herein as Exhibit A.
3. Debtors financed the purchase of a Jeep Cherokee automobile as evidenced by a retail installment contract in the principal amount of dated April 8, 2002 (Contract II). A true and correct copy of Contract II is attached hereto and incorporated herein as Exhibit B.
4. The Contracts are secured by the following property (the collateral): 2000 Jeep Cherokee, VIN 1J4FF48S5YL154701; 2002 Kia Sportage, VIN KNDJA723225115996. A copy

of Confirmation of Lien Perfection for the Kia and Jeep are attached as Exhibit C and Exhibit D, respectively, and they are incorporated herein by reference.

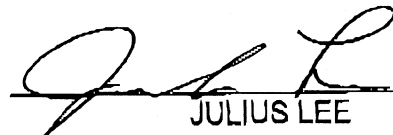
5. Debtors are in arrears to Movant for installment payments due under each Contract. No payment has been received on account since the filing of the bankruptcy petition herein.

6. The present pay-off balance on Contract I is \$13,920.63 and the present pay-off balance on Contract II is \$12,272.89.

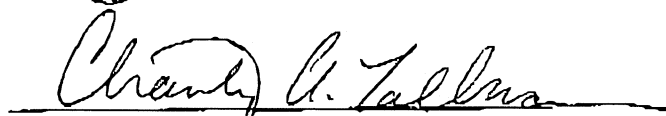
7. Based on Debtors' schedules, the fair market value of the Kia Sportage is \$12,000.00 and the fair market value of the Jeep Cherokee is \$10,605.00.

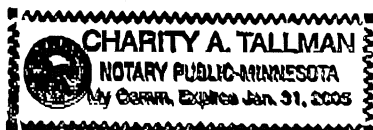
8. Debtors have surrendered possession of the Kia Sportage to the Movant.

9. Debtors continue to possess and use the Jeep Cherokee, subjecting it to wear and tear, and thereby cause the property to depreciate in value.


JULIUS LEE

Subscribed and sworn to before me
on this 3 day of October, 2004


Notary Public



STK# 1775

RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT No. <u>4402</u> Date <u>04/06/02</u>	Seller LINER NISSAN KIA 1470 EAST 50TH STREET INVER GROVE HEIGHTS, MN 55077 <u>206785</u>	Buyer NICHOLAS R MORRISON LINDA D MORRISON 2401 BRENNER CT SAINT PAUL, MN 55113
	"We" and "us" mean the Seller above, its successors and assigns. "You" and "your" mean each Buyer above, and guarantor, jointly and individually.	

SALE: You agree to purchase from us, over time, the Motor Vehicle (Vehicle) and services described below. Your purchase is subject to the terms and conditions of this contract and security agreement (Contract). The Vehicle is sold in its present condition, together with the usual accessories and attachments.

Description of Motor Vehicle Purchased	Year 2002	Make KIA	VIN KNDJA723225115996	Other
	Model SPORTAGE		Li. No./Year	
			<input checked="" type="checkbox"/> New <input type="checkbox"/> Used	

Description of Trade-In 1998 CHEVROLET 1500 PICKUP VIN# 2GCEK19R2M161910

SECURITY: To secure your payment and performance under the terms of this Contract, you give us a security interest in the Vehicle, all accessories, attachments, accessories, and equipment placed in or on the Vehicle, together called Property, and proceeds of the Property. You also assign to us and give us a security interest in proceeds and premium refunds of any insurance and service contracts purchased with this Contract.

PROMISE TO PAY AND PAYMENT TERMS: You promise to pay us the principal amount of \$ 20771.56, plus finance charges accruing on the unpaid balance at the rate of 6.99 % per year from today's date until paid in full. Finance charges accrue on a 365 day basis.

TRUTH IN LENDING DISCLOSURES: You agree to pay this Contract according to the payment schedule and late charge provisions shown in the TRUTH IN LENDING DISCLOSURES. You also agree to pay any additional amounts according to the terms and conditions of this Contract.

LOAN ADMINISTRATION FEE: You agree to pay an additional, nonrefundable loan administration fee of \$25.00 that will be ☐ paid in cash. ☐ paid pro rata over the contract term. ☐ withheld from the proceeds (if this fee is withheld from the proceeds, the amount is included in the principal sum).

DOWN PAYMENT: You also agree to pay, or apply to the Cash Price, on or before today's date, any cash, rebate and net trade-in value described in the ITEMIZATION OF AMOUNT FINANCED. ☐ You agree to make deferred payments as part of the cash down payment as reflected in your Payment Schedule.

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid when you have made all scheduled payments.	TOTAL SALE PRICE The total cost of your purchase on credit, including your down payment of cash.
6.99 %	\$ 4792.76	\$ 20771.56	\$ 25564.32	\$ 26236.77

Payment Schedule: Your payment schedule will be

Number of Payments	Amount of Payments	When Payments Are Due
72	355.06	MONTHLY, BEGINNING: 05/21/02

Security: You are giving a security interest in the Motor Vehicle purchased.

Late Charge: If a payment is more than 5 days late, you will be charged 5% OF THE PAYMENT

amount allowed by law under Minn. Stat. § 47.59. ☐ This amount may increase so as to always be the highest

Prepayment: If you pay off this Contract early, you will not have to pay a penalty.

☐ If you pay off this Contract early, you will not be entitled to a refund of part of the loan administration fee.

Contract Provisions: You can see the terms of this Contract for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

CREDIT INSURANCE: Credit life, credit disability (accident and health), and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

Credit Life: Insured N/A
☐ Single ☐ Joint Prem. \$ N/A Term N/A
Credit Disability: Insured N/A
☐ Single ☐ Joint Prem. \$ N/A Term N/A

Your signature below means you want (only) the insurance coverage(s) quoted above. If none are quoted, you have declined any coverages we offered.

Buyer d/b/b Buyer d/b/b

PROPERTY INSURANCE: You must insure the Property securing this Contract. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. The collision coverage deductible may not exceed \$ N/A if you get insurance from or through us you will pay \$ N/A for N/A of coverage.

This premium is calculated as follows:

☐ \$ N/A Deductible, Collision Coverage \$ N/A
☐ \$ N/A Deductible, Comprehensive Cov. \$ N/A
☐ Fire-Turn and Combined Additional Coverage \$ N/A

Liability insurance coverage for bodily injury and motor vehicle damage caused to others is not included in this Contract unless checked and indicated.

MOTOR VEHICLE SERVICE CONTRACT: With your purchase of the Vehicle, you agree to purchase a Motor Vehicle Service Contract to cover N/A

This Service Contract will be in effect for N/A

ITEMIZATION OF AMOUNT FINANCED

Vehicle Price (incl. sales tax of \$ <u>497.51</u>)	\$ <u>21151.51</u>
Service Contract, Paid to: <u>N/A</u>	\$ <u>N/A</u>
Cash Price	\$ <u>21151.51</u>
Manufacturer's Rebate	\$ <u>2000.00</u>
Cash Down Payment	\$ <u>N/A</u>
Deferred Down Payment	\$ <u>2000.00</u>
a. Total Cash/Rebate Down	\$ <u>23000.00</u>
b. Trade-In Allowance	\$ <u>2327.33</u>
c. Less: Amount paid	\$ <u>0.00</u>
Paid to:	
d. Net Trade-In (b. minus c.)	\$ <u>-1327.33</u>
e. Net Cash/Trade-In (a. plus d.)	\$ <u>672.45</u>
Down Payment (e.; disclose as \$0 if negative)	\$ <u>672.45</u>
Unpaid Balance of Cash Price	\$ <u>20479.06</u>
Paid to Public Officials - Filing Fees	\$ <u>267.50</u>
Insurance Premiums	\$ <u>N/A</u>
Amount to Finance Line (if a. is negative)	\$ <u>25.00</u>
To: <u>DOCUMENTATION FEE</u>	\$ <u>25.00</u>
To: <u>N/A</u>	\$ <u>N/A</u>
To: <u>N/A</u>	\$ <u>N/A</u>
To: <u>N/A</u>	\$ <u>N/A</u>
Total Other Charges/Amounts Pd. to Others	\$ <u>292.50</u>
Less: Prepaid Finance Charges	\$ <u>N/A</u>
Amount Financed	\$ <u>20771.56</u>

*We may retain or receive a portion of this amount.

NOTICE TO BUYER

(1) Do not sign this agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charges. (4) IMPORTANT: THIS MAY BE A BINDING CONTRACT AND YOU MAY LOSE ANY DEPOSITS IF YOU DO NOT PERFORM ACCORDING TO ITS TERMS.

BY SIGNING BELOW BUYER AGREES TO THE TERMS ON PAGES 1 AND 2 OF THIS CONTRACT AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

ASSIGNMENT: This Contract and Security Agreement is assigned to MINN COOP CREDIT UNION. The assignee, phone 215 153 3450. This assignment is made ☐ under the terms of a separate agreement. ☒ under the terms of the ASSIGNMENT BY SELLER on page 2. ☐ This assignment is made with recourse.

Seller: By [Signature] Date 04/06/02

MINNESOTA RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT
EX-100 © 1992, 1993 Bankers Supply, Inc. St. Cloud, MN Form RS-814-MIN 1047001

Buyer: [Signature] Date 04/06/02
Signature [Signature] Date 04/06/02
Signature [Signature] Date 04/06/02

Seller: By [Signature]

(Page 1 of 2)
MOTOR VEHICLE - NOT FOR MANUFACTURED HOMES

Ex A
P.1

ADDITIONAL TERMS OF THIS CONTRACT AND SECURITY AGREEMENT

GENERAL TERMS: You have been given the opportunity to purchase the Vehicle and described services for the Cash Price or the Total Sale Price. The Total Sale Price is the total price of the Vehicle and any services if you buy them over time. You agreed to purchase the items over time. The Total Sale Price shown in the TRUTH IN LENDING DISCLOSURES assumes that all payments will be made as scheduled. The actual amount you will pay may be more or less depending on your payment record.

We do not intend to charge or collect, and you do not agree to pay, any finance charge or fee, that is more than the maximum amount permitted for this sale by state or federal law. If you pay a finance charge or fee that is contrary to this provision, you have a right to a refund of the excess charge. If you agree, or if you do not make a timely request for a refund, we will apply the refund amount first to reduce the principal balance, and when the principal has been paid in full, refund it to you.

You understand and agree that some payments to third parties as a part of this Contract may involve money retained by us or paid back to us as commissions or other remuneration.

If any section or provision of this Contract is not enforceable, the other terms will remain part of this Contract.

This Contract is governed by the laws of Minnesota and the United States of America.

NAME AND LOCATION: Your name and address indicated on page 1 are your exact legal name and your principal residence. You will provide us with at least 30 days notice prior to changing your name or principal residence.

PREPAYMENT: You may prepay this Contract in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until you pay in full.

A refund of any prepaid, unearned insurance premiums may be obtained from us or from the insurance company named in your policy or certificate of insurance, but no refund will be paid if the amount of the refund would be less than \$5.00.

OWNERSHIP AND DUTIES TOWARD PROPERTY: By giving us a security interest in the Property, you represent and agree in the following:

- Our security interest will not extend to consumer goods unless you acquire rights to them within 10 days after we enter into this Contract, or they are installed in or affixed to the Vehicle.
- You will defend our interests in the Property against claims made by anyone else. You will do whatever is necessary to keep our claim to the Property ahead of the claim of anyone else.
- The security interest you are giving us in the Property comes ahead of the claim of any other of your general or secured creditors. You agree to sign any additional documents or provide us with any additional information we may require to keep our claim to the Property ahead of the claim of anyone else. You will not do anything to change our interest in the Property.
- You will keep the Property in your possession in good condition and repair. You will use the Property for its intended and lawful purposes. Unless otherwise agreed in writing, the Property will be located at your address listed on page 1 of this Contract.
- You will not attempt to sell the Property (unless it is properly identified inventory) or otherwise transfer any rights in the Property to anyone else, without our prior written consent.
- You will pay all taxes and assessments on the Property as they become due.
- You will notify us of any loss or damage to the Property. You will provide us reasonable access to the Property for the purpose of inspection. Our entry and inspection must be accomplished lawfully, and without breaching the peace.

DEFAULT: You will be in default on this Contract if any one of the following occurs (except as prohibited by law):

- You fail to perform any obligation that you have undertaken in this Contract.
- We, in good faith, believe that you cannot, or will not, pay or perform the obligations you have agreed to in this Contract.

If you default, you agree to pay our costs for collecting amounts owing, including court costs, attorneys' fees, and fees for repossession, repair, storage and sale of the Property securing this Contract. If this Contract is subject to Minn. Stat. § 168.71, the amount of our attorneys' fees you must pay will not exceed 15% of the amount due and payable under this Contract.

If an event of default occurs as to any one of you, we may exercise our remedies against any or all of you.

REMEDIES: If you are in default on this Contract, we have all of the remedies provided by law and this Contract:

- We may require you to immediately pay us, less any refund required by law, the remaining unpaid balance of the amount financed, finance charges and all other agreed charges.
- We may pay taxes, assessments, or other liens or make repairs to the Property if you have not done so. We are not required to do so. Any amount we pay will be added to the amount you owe us and will be due immediately. This amount will earn finance charges from the date paid at the interest rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.
- We may require you to make the Property available to us at a place we designate that is reasonably convenient to you and us.
- We may immediately take possession of the Property by legal process or self-help, but in doing so we may not breach the peace or unlawfully enter onto your premises. We may then sell the Property and apply what we receive as provided by law to our reasonable expenses and then toward what you owe us.

E. Except when prohibited by law, we may sue you for additional amounts if the proceeds of a sale do not pay all of the amounts you owe us.

By choosing any one or more of these remedies, we do not give up our right to later use another remedy. By deciding not to use any remedy, we do not give up our right to consider the event a default if it happens again.

You agree that if any notice is required to be given to you of an intended sale or transfer of the Property, notice is reasonable if mailed to your last known address, as reflected in our records, at least 10 days before the date of the intended sale or transfer (in such other period of time as is required by law).

You agree that, subject to your right to recover such property, we may take possession of personal property left in or on the Property securing this Contract and taken into possession as provided above.

RETURNED CHECK CHARGE: You agree to pay a service charge for each returned check or returned automatic payment request. The amount of the service charge will be \$30.00.

INSURANCE: You agree to buy property insurance on the Property protecting against loss and physical damage and subject to a maximum deductible amount indicated in the PROPERTY INSURANCE section, or as we will otherwise require. You will name us as loss payee on any such policy. (Generally, loss payee is the one to be paid the policy benefits in case of loss or damage to the property.) In the event of loss or damage to the Property, we may require additional security or assurances of payment before we allow insurance proceeds to be used to repair or replace the Property. If the insurance proceeds do not cover the amounts you still owe us, you will pay the difference. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. You will keep the insurance in full force and effect until this Contract is paid in full.

If you fail to obtain or maintain this insurance, or name us as a loss payee, we may obtain insurance to protect our interest in the Property. We will notify you if we do so. This insurance may include coverages not required of you. This insurance may be written by a company other than one you would choose. It may be written at a rate higher than a rate you could obtain if you purchased the property insurance required by this Contract. We will add the premium for this insurance to the amount you owe us. Any amount we pay will be due immediately. This amount will earn finance charges from the date paid at the interest rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full. However, if this Contract is assigned, and the Assignee is not a financial institution as defined by Minn. Stat. § 47.59, this amount will earn finance charges from the date paid at 8% per year.

OBLIGATIONS INDEPENDENT: Each person who signs this Contract agrees to pay this Contract according to its terms. This means the following:

- You must pay this Contract even if someone else has also signed it.
- We may release any co-buyer or guarantor and you will still be obligated to pay this Contract.
- We may release any security and you will still be obligated to pay this Contract.
- If we give up any of our rights, it will not affect your duty to pay this Contract.
- If we extend new credit or renew this Contract, it will not affect your duty to pay this Contract.

WAIVER: To the extent permitted by law, you agree to give up your rights to require us to do certain things. We are not required to: (1) demand payment of amounts due; (2) give notice that amounts due have not been paid, or have not been paid in the appropriate amount, time or manner; (3) give notice that we intend to make, or are making, this Contract immediately due; or, (4) obtain official certification of nonpayments.

THIRD PARTY AGREEMENT

By signing below you agree to give us a security interest in the Property described in the SALE section. You also agree to the terms of this Contract, including the WAIVER section above, except that you will not be liable for the payments it requires. Your interest in the Property may be used to satisfy the Buyer's obligation. You agree that we may renew, extend, change this Contract, or release any party or property without releasing you from this Contract. We may take these steps without notice or demand upon you.

You acknowledge receipt of a completed copy of this Contract

Signature

Date

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

IF YOU ARE BUYING A USED VEHICLE, THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

Ex A
P.2

STK# 24840A

RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT		Seller: LUTHER NUSSAN RIA 1470 EAST 50TH STREET INVER GROVE HEIGHTS, MN 55127 206985	Buyer: NICHOLAS R MORRISON LINDA D MORRISON 2401 BRENNER CT SAINT PAUL, MN 55113
No. 4802	Date 04/06/02	"We" and "us" mean the Seller above, its successors and assigns.	
		"You" and "your" mean each Buyer above, and guarantor, jointly and individually.	

SALE: You agree to purchase from us, over time, the Motor Vehicle (Vehicle) and services described below. Your purchase is subject to the terms and conditions of this contract and security agreement (Contract). The Vehicle is sold in its present condition, together with the usual accessories and attachments.

Description of Motor Vehicle Purchased	Year 2000	VIN 1J4FF48S5YL154701	Other:
Make	JEEP	Lic. No./Year	EJAB63
Model	CHEROKEE	<input type="checkbox"/> New <input checked="" type="checkbox"/> Used	

Description of Trade-In N/A

SECURITY: To secure your payment and performance under the terms of this Contract, you give us a security interest in the Vehicle, all accessories, attachments, accessories, and equipment placed in or on the Vehicle, together called Property, and proceeds of the Property. You also assign to us and give us a security interest in proceeds and premium refunds of any insurance and service contracts purchased with this Contract.

PROMISE TO PAY AND PAYMENT TERMS: You promise to pay us the principal amount of \$ 17778.18, plus finance charges according to the unpaid balance at the rate of 6.99% per year from today's date until paid in full. Finance charges accrue on a day basis. You agree to pay this Contract according to the payment schedule and late charge provisions shown in the TRUTH IN LENDING DISCLOSURES. You also agree to pay any additional amounts according to the terms and conditions of this Contract.

☐ **LOAN ADMINISTRATION FEE:** You agree to pay an additional, nonrefundable loan administration fee of \$25.00 that will be ☐ paid in cash, ☐ paid pro rata over the contract term. ☐ withheld from the proceeds (if this fee is withheld from the proceeds, the amount is included in the principal sum).

DOWN PAYMENT: You also agree to pay, or apply to the Cash Price, on or before today's date, any cash, rebate and net trade-in value described in the ITEMIZATION OF AMOUNT FINANCED. ☐ You agree to make deferred payments as part of the cash down payment as reflected in your Payment Schedule.

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS	TOTAL SALE PRICE
The cost of your credit as a yearly rate 6.99%	The dollar amount the credit will cost you 4101.90	The amount of credit provided to you or on your behalf \$ 17778.18	The amount you will have paid when you have made all scheduled payments. \$ 21880.08	The total cost of your purchase on credit, including your down payment of \$ 1000.00 \$ 22880.08

Payment Schedule: Your payment schedule will be

Number of Payments	Amount of Payments	When Payments Are Due
72	303.89	MONTHLY, BEGINNING: 05/21/02

Security: You are giving a security interest in the Motor Vehicle purchased. ☒ **Late Charge:** If a payment is more than 10 days late, you will be charged 5% OF THE PAYMENT. This amount may increase so as to always be the highest amount allowed by law under Minn. Stat. § 47.59.

Prepayment: If you pay off this Contract early, you will not have to pay a penalty.

☐ If you pay off this Contract early, you will not be entitled to a refund of part of the loan administration fee.

Contract Provisions: You can see the terms of this Contract for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

CREDIT INSURANCE: Credit life, credit disability (accident and health), and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

Credit Life: Insured N/A
☐ Single ☐ Joint Prem. \$ N/A Term N/A

Credit Disability: Insured N/A
☐ Single ☐ Joint Prem. \$ N/A Term N/A

Your signature below means you want (only) the insurance coverage(s) quoted above, if none are quoted, you have declined any coverages we offered.

Buyer N/A d/o/b Buyer N/A d/o/b

PROPERTY INSURANCE: You must insure the Property securing this Contract. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. The collision coverage deductible may not exceed \$ N/A. If you get insurance from or through us you will pay \$ N/A for N/A of coverage.

This premium is calculated as follows:

☐ \$ N/A Deductible, Collision Coverage \$ N/A
☐ \$ N/A Deductible, Comprehensive Cov. \$ N/A
☐ Fire-Theft and Combined Additional Coverage \$ N/A
☐ N/A \$ N/A

Liability Insurance: coverage for bodily injury and motor vehicle damage caused to others is not included in this Contract unless checked and indicated.

☒ **MOTOR VEHICLE SERVICE CONTRACT:** With your purchase of the Vehicle, you agree to purchase a Motor Vehicle Service Contract to cover N/A

BY SIGNING BELOW BUYER AGREES TO THE TERMS ON PAGES 1 AND 2 OF THIS CONTRACT AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

ASSIGNMENT: This Contract and Security Agreement is assigned to TRIN CO, INC. This assignment is made under the terms of a separate agreement. ☒ under the terms of the ASSIGNMENT BY SELLER on page 2. ☐ This assignment is made with recourse. Seller: By [Signature] Date 04/06/02

ITEMIZATION OF AMOUNT FINANCED	
Vehicle Price (incl. sales tax of \$ 1039.68)	\$ 17034.68
Service Contract, Paid to: PROTECTIVE	\$ 1695.00
Cash Price	\$ 18729.68
Manufacturer's Rebate	\$ N/A
Cash Down Payment	\$ 1000.00
Deferred Down Payment	\$ N/A
a. Total Cash/Rebate Down	\$ 1000.00
b. Trade-in Allowance	\$ N/A
c. Less: Amount owing	\$ N/A
Paid to:	N/A
d. Net Trade-In (b. minus c.)	\$ N/A
e. Net Cash/Trade-In (a. plus d.)	\$ 1000.00
Down Payment (e.; disclose as \$0 if negative)	\$ 1000.00
Unpaid Balance of Cash Price	\$ 17729.68
Paid to Public Officials - Filing Fees	\$ 23.50
Insurance Premiums*	\$ N/A
Amount to Finance line e. (if e. is negative)	\$ N/A
To: DOCUMENTATION FEE	\$ 25.00
To: N/A	\$ N/A
To: N/A	\$ N/A
To: N/A	\$ N/A
Total Other Charges/Amounts Pd. to Others	\$ 48.50
Less: Prepaid Finance Charges	\$ N/A
Amount Financed	\$ 17778.18

*We may retain or receive a portion of this amount.

NOTICE TO BUYER

(1) Do not sign this agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) IMPORTANT: THIS MAY BE A BINDING CONTRACT AND YOU MAY LOSE ANY DEPOSITS IF YOU DO NOT PERFORM ACCORDING TO ITS TERMS.

BY SIGNING BELOW BUYER AGREES TO THE TERMS ON PAGES 1 AND 2 OF THIS CONTRACT AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

Buyer: [Signature] 04/06/02
Signature: [Signature] 04/06/02
Signature: [Signature] 04/06/02
Seller: By [Signature]

Ex B
p. 1

ADDITIONAL TERMS OF THIS CONTRACT AND SECURITY AGREEMENT

GENERAL TERMS: You have been given the opportunity to purchase the Vehicle and described services for the Cash Price or the Total Sale Price. The Total Sale Price is the total price of the Vehicle and any services if you buy them over time. You agreed to purchase the items over time. The Total Sale Price shown in the TRUTH IN LENDING DISCLOSURES assumes that all payments will be made as scheduled. The actual amount you will pay may be more or less depending on your payment record.

We do not intend to charge or collect, and you do not agree to pay, any finance charge or fee, that is more than the maximum amount permitted for this sale by state or federal law. If you pay a finance charge or fee that is contrary to this provision, you have a right to a refund of the excess charge. If you agree, or if you do not make a timely request for a refund, we will apply the refund amount first to reduce the principal balance, and when the principal has been paid in full, refund it to you.

You understand and agree that some payments to third parties as a part of this Contract may involve money retained by us or paid back to us as commissions or other remuneration.

If any section or provision of this Contract is not enforceable, the other terms will remain part of this Contract.

This Contract is governed by the laws of Minnesota and the United States of America.

NAME AND LOCATION: Your name and address indicated on page 1 are your exact legal name and your principal residence. You will provide us with at least 30 days notice prior to changing your name or principal residence.

PREPAYMENT: You may prepay this Contract in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until you pay in full.

A refund of any prepaid, unearned insurance premiums may be obtained from us or from the insurance company named in your policy or certificate of insurance, but no refund will be paid if the amount of the refund would be less than \$5.00.

OWNERSHIP AND DUTIES TOWARD PROPERTY: By giving us a security interest in the Property, you represent and agree in the following:

- Our security interest will not extend to consumer goods unless you acquire rights to them within 10 days after we enter into this Contract, or they are installed in or affixed to the Vehicle.
- You will defend our interests in the Property against claims made by anyone else. You will do whatever is necessary to keep our claim to the Property ahead of the claim of anyone else.
- The security interest you are giving us in the Property comes ahead of the claim of any other of your general or secured creditors. You agree to sign any additional documents or provide us with any additional information we may require to keep our claim to the Property ahead of the claim of anyone else. You will not do anything to change our interest in the Property.
- You will keep the Property in your possession in good condition and repair. You will use the Property for its intended and lawful purposes. Unless otherwise agreed in writing, the Property will be located at your address listed on page 1 of this Contract.
- You will not attempt to sell the Property (unless it is property identified inventory) or otherwise transfer any rights in the Property to anyone else, without our prior written consent.
- You will pay all taxes and assessments on the Property as they become due.
- You will notify us of any loss or damage to the Property. You will provide us reasonable access to the Property for the purpose of inspection. Our entry and inspection must be accomplished lawfully, and without breaching the peace.

DEFAULT: You will be in default on this Contract if any one of the following occurs (except as prohibited by law):

- You fail to perform any obligation that you have undertaken in this Contract.
- We, in good faith, believe that you cannot, or will not, pay or perform the obligations you have agreed to in this Contract.

If you default, you agree to pay our costs for collecting amounts owing, including court costs, attorneys' fees, and fees for repossession, repair, storage and sale of the Property securing this Contract. If this Contract is subject to Minn. Stat. § 168.71, the amount of our attorneys' fees you must pay will not exceed 15% of the amount due and payable under this Contract.

If an event of default occurs as to any one of you, we may exercise our remedies against any or all of you.

REMEDIES: If you are in default on this Contract, we have all of the remedies provided by law and this Contract:

- We may require you to immediately pay us, less any refund required by law, the remaining unpaid balance of the amount financed, finance charges and all other agreed charges.
- We may pay taxes, assessments, or other liens or make repairs to the Property if you have not done so. We are not required to do so. Any amount we pay will be added to the amount you owe us and will be due immediately. This amount will earn finance charges from the date paid at the interest rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full.
- We may require you to make the Property available to us at a place we designate that is reasonably convenient to you and us.
- We may immediately take possession of the Property by legal process or self-help, but in doing so we may not breach the peace or unlawfully enter onto your premises. We may then sell the Property and apply what we receive as provided by law to our reasonable expenses and then toward what you owe us.

E. Except when prohibited by law, we may sue you for additional amounts if the proceeds of a sale do not pay all of the amounts you owe us.

By choosing any one or more of these remedies, we do not give up our right to later use another remedy. By deciding not to use any remedy, we do not give up our right to consider the event a default if it happens again.

You agree that if any notice is required to be given to you of an intended sale or transfer of the Property, notice is reasonable if mailed to your last known address, as reflected in our records, at least 10 days before the date of the intended sale or transfer (or such other period of time as is required by law).

You agree that, subject to your right to recover such property, we may take possession of personal property left in or on the Property securing this Contract and taken into possession as provided above.

RETURNED CHECK CHARGE: You agree to pay a service charge for each returned check or returned automatic payment request. The amount of the service charge will be \$30.00.

INSURANCE: You agree to buy property insurance on the Property protecting against loss and physical damage and subject to a maximum deductible amount indicated in the PROPERTY INSURANCE section, or as we will otherwise require. You will name us as loss payee on any such policy. (Generally, loss payee is the one to be paid the policy benefits in case of loss or damage to the property.) In the event of loss or damage to the Property, we may require additional security or assurances of payment before we allow insurance proceeds to be used to repair or replace the Property. If the insurance proceeds do not cover the amounts you still owe us, you will pay the difference. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. You will keep the insurance in full force and effect until this Contract is paid in full.

If you fail to obtain or maintain this insurance, or name us as a loss payee, we may obtain insurance to protect our interest in the Property. We will notify you if we do so. This insurance may include coverages not required of you. This insurance may be written by a company other than one you would choose. It may be written at a rate higher than a rate you could obtain if you purchased this property insurance required by this Contract. We will add the premium for this insurance to the amount you owe us. Any amount we pay will be due immediately. This amount will earn finance charges from the date paid at the interest rate described in the PROMISE TO PAY AND PAYMENT TERMS section until paid in full. However, if this Contract is assigned, and the Assignee is not a financial institution as defined by Minn. Stat. § 47.59, this amount will earn finance charges from the date paid at 8% per year.

OBLIGATIONS INDEPENDENT: Each person who signs this Contract agrees to pay this Contract according to its terms. This means the following:

- You must pay this Contract even if someone else has also signed it.
- We may release any co-buyer or guarantor and you will still be obligated to pay this Contract.
- We may release any security and you will still be obligated to pay this Contract.
- If we give up any of our rights, it will not affect your duty to pay this Contract.
- If we extend new credit or renew this Contract, it will not affect your duty to pay this Contract.

WAIVER: To the extent permitted by law, you agree to give up your rights to require us to do certain things. We are not required to: (1) demand payment of amounts due; (2) give notice that amounts due have not been paid, or have not been paid in the appropriate amount, time or manner; (3) give notice that we intend to make, or are making, this Contract immediately due; or, (4) obtain official certification of nonpayments.

THIRD PARTY AGREEMENT

By signing below you agree to give us a security interest in the Property described in the SALE section. You also agree to the terms of this Contract, including the WAIVER section above, except that you will not be liable for the payments it requires. Your interest in the Property may be used to satisfy the Buyer's obligation. You agree that we may renew, extend, change this Contract, or release any party or property without releasing you from this Contract. We may take these steps without notice or demand upon you.

You acknowledge receipt of a completed copy of this Contract.

Signature

Date

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

IF YOU ARE BUYING A USED VEHICLE, THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

Ex B
p. 2

MINNESOTA DEPARTMENT OF PUBLIC SAFETY
DRIVER & VEHICLE SERVICES DIVISION
445 MINNESOTA ST., ST. PAUL, MN 55101

CONFIRMATION OF LIEN PERFECTION - DEBTOR NAME AND ADDRESS

MORRISON NICHOLAS ROSS
MORRISON LINDA DIANE
2401 BRENNER CT
ROSEVILLE MN 55113

206985-20

First Class
U.S. Postage
PAID
Permit No. 171
St. Paul, MN

*

JDP945

1ST SECURED PARTY

LIEN HOLDER

Year 02	Make KIA	Model 4WSPD	Title NR. D1360P199
VIN KNDJA723225115996		Security Date 04/06/02	Rebuilt NO

RETAIN THIS DOCUMENT • See reverse
side of this form for removing this lien.

TWIN CITY COOPS FED CR UN
2025 LARPENTEUR AVE W
FALCON HEIGHTS MN 55113-5512

Ex C

MINNESOTA DEPARTMENT OF PUBLIC SAFETY
DRIVER & VEHICLE SERVICES DIVISION
445 MINNESOTA ST., ST. PAUL, MN 55101

206985-21

CONFIRMATION OF LIEN PERFECTION - DEBTOR NAME AND ADDRESS

First Class
U.S. Postage
PAID
Permit No. 171
St. Paul, MN

MORRISON NICHOLAS ROSS
MORRISON LINDA DIANE
2401 BRENNER CT
ROSEVILLE MN 55113

*

EJA863

1ST SECURED PARTY

LIEN HOLDER

Year 00	Make JEEP	Model 4WCHK	Title No. D1360P301
VIN 1J4FF48S5YL154701		Security Date 04/06/02	Rebuilt NO

RETAIN THIS DOCUMENT - See reverse
side of this form for removing this lien.

TWIN CITY COOPS FED CR UN
2025 LARPEN TEUR AVE W
FALCON HEIGHTS MN 55113-5512

EX D

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Case No. 04-34128-GFK

Nicholas Morrison and
Linda Morrison

MEMORANDUM IN SUPPORT OF
MOTION FOR RELIEF FROM
AUTOMATIC STAY

Debtor(s).

Chapter 7 Case

Twin City Co-ops Federal Credit Union, hereafter Movant, advanced funds to Nicholas Morrison and Linda Morrison, hereafter Debtors. As security for payment, Debtors conveyed a security interest to Movant in two automobiles, a 2002 Kia Sportage and 2000 Jeep Cherokee. Debtors subsequently filed a chapter 7 bankruptcy petition.

At the commencement of the case, the Debtors owed Movant the sum of \$13,920.93 on the retail installment contract secured by the Kia Sportage which the Debtors value at \$12,000.00. At the commencement of the case, the Debtors owed Movant the sum of \$12,272.89 on the retail installment contract secured by the Jeep Cherokee which the Debtors value at \$10,605.00.

Debtors were in default on payments due to Movant at the time of filing the bankruptcy petition herein. Since filing the petition, Debtors have made no payment to Movant and Debtors have not reaffirmed the indebtedness. Debtors have surrendered the 2002 Kia Sportage to Movant, but continue to possess and use the 2000 Jeep Cherokee, subjecting the same to wear and tear and risk of loss. The collateral is depreciating and at risk and Movant has not been offered adequate protection in the collateral.

Section 362 of the Bankruptcy Code provides that the court shall grant relief from the automatic stay for cause, including lack of adequate protection of an interest in property of a party in interest. 11 U. S. C. § 362 (d)(1). That section also provides that such relief shall be

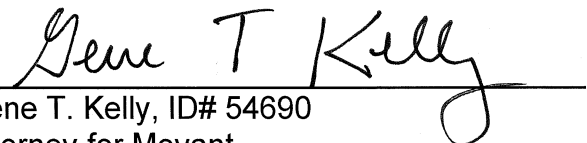
granted with respect to a stay of an act against property if the debtor has no equity in the property and the property is not necessary to an effective reorganization. See 11 U. S. C. § 362 (d)(2).

Debtors' failure to challenge Movant's lien in the collateral coupled with past defaults in payment, failure to make arrangement for future payment on the indebtedness as it matures and failure to propose other payment arrangements to compensate Movant for the depreciation of the collateral while being used by debtor constitutes "cause" for stay relief. See *In re Elicker*, 100 B. R. 180 (Bkrtcy.M.D.Pa. 1989).

Debtors have no equity in the collateral. The collateral is not necessary for a reorganization since this is a liquidation case.

Therefore, Movant is entitled to immediate relief from the automatic stay pursuant to §362 (d)(1), for cause based on lack of adequate protection, or pursuant to §362 (d)(2) based on the fact that there is no equity in the vehicle and it is not necessary to an effective reorganization.

Dated: October 4, 2004

A handwritten signature in black ink that reads "Gene T. Kelly". The signature is written in a cursive, flowing style. The "G" is large and loops around the "K". The "y" has a long, sweeping tail that extends to the right.

Gene T. Kelly, ID# 54690
Attorney for Movant
1515 One Financial Plaza
120 South 6th Street
Minneapolis, MN 55402
(612) 332-5890

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Case No. 04-34128-GFK

Nicholas Morrison and
Linda Morrison

UNSWORN DECLARATION
FOR PROOF OF SERVICE

Debtors.

Chapter 7 Case

I, Gene T. Kelly, declare under penalty of perjury that on October 4, 2004, I mailed copies of the foregoing Notice of Hearing and Motion for Relief from Stay, Affidavit, Memorandum, proposed Order and this proof of service by first class mail, postage prepaid, to each entity named below at the address stated below for each entity:

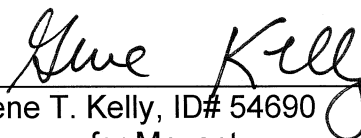
Nicholas Morrison
Linda Morrison
2401 Brenner Court
Roseville, MN 55113

Nicholas Morrison
Attorney for Debtors
2401 Brenner Court
Roseville, MN 55113

Nauni Jo Manti, Trustee
333 S. 7th Street, Suite 2000
Minneapolis, MN 55402

United States Trustee
1015 U. S. Courthouse
300 South 4th Street
Minneapolis, MN 55415

Date: 10-4-04



Gene T. Kelly, ID# 54690
Attorney for Movant
1515 One Financial Plaza
120 South 6th Street
Minneapolis, MN 55402
Telephone: (612) 332-5890

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Case No. 04-34128-GFK

Nicholas Morrison and
Linda Morrison

ORDER

Debtor(s).

Chapter 7 Case

A hearing on the motion of Twin City Co-ops Federal Credit Union for relief from the automatic stay was held before the above Court on the 25th day of October, 2004. Appearances were noted in the Court's records.

Upon all the proceedings, file, affidavits, exhibits and argument of counsel,

IT IS HEREBY ORDERED, that the automatic stay is terminated with respect to the following property (the collateral):

2000 Jeep Cherokee, VIN 1J4FF48S5YL154701;

2002 Kia Sportage, VIN KNDJA723225115996.

Notwithstanding Fed. R. Bankr. P. 4001(a)(3), this Order is effective immediately.

Dated: _____

United States Bankruptcy Judge